

## Message Text

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ORIGIN AF-06

INFO OCT-01 EUR-12 IO-11 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 EB-07 COME-00 SIL-01 LAB-04 TRSE-00 OMB-01

ACDA-07 SAJ-01 SCCT-01 /098 R

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FM SECSTATE WASHDC

TO AMCONSUL JOHANNESBURG PRIORITY

INFO AMEMBASSY LONDON

AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

AMCONSUL DURBAN

USMISSION GENEVA

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CAPETOWN ALSO FOR EMBASSY

E.O. 11652:N/A

TAGS:ELAB, SF

SUBJECT:WORKS COMMITTEE DISPUTE ERUPTS IN VIOLENCE AT  
HEINEMANN ELECTRIC

REF: JOHANNESBURG 0431, 0407 (NOTAL), JOHANNESBURG 443  
(NOTAL)

1. REFTELS NOTED OPPOSITION OF BLACK WORKERS AT HEINEMANN  
ELECTRIC COMPANY NEAR JOHANNESBURG TO SAG-SPONSORED WORKERS  
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AND LIAISON COMMITTEES. MANAGEMENT HAS BEEN ASKED BY

WORKERS TO DEAL WITH UNION LEADERS INSTEAD. DISPUTE ERUPTED IN VIOLENCE MARCH 29 WHEN POLICE CHARGED WORKERS OUTSIDE FACTORY GATES WITH WOODEN BATONS, INJURING SEVERAL. HEINEMANN IS LISTED AT AMCONGEN JOHANNESBURG AS SUBSIDIARY OF HEINEMANN ELECTRIC, TRENTON, N.J.

2. SUBSTANCE OF FACTUAL MATERIAL IN REFTELS PASSED TO JAMES SUGARS (PHONETIC) AND MR. DENNY, PRESIDENT AND SECRETARY RESPECTIVELY OF HEINEMANN ELECTRIC IN TRENTON. SUGARS SAID ONLY PRIOR INFORMATION HE HAD WAS WORD THAT THERE WERE LABOR PROBLEMS IN SOUTH AFRICAN PLANT AND THAT FURTHER INFORMATION WOULD FOLLOW. DENNY ADDED THAT HE BELIEVED THE ACCOUNTS TO BE SOMEWHAT EXAGGERATED, FOR EXAMPLE, ONLY 400 ARE EMPLOYED.

3. MAIN POINT MADE BY SUGARS AND DENNY IS THAT HEINEMANN

ELECTRIC OF NEW JERSEY IS A MINORITY STOCKHOLDER WITH LITTLE INFLUENCE ON THE ACTUAL MANAGING OF THE FACILITY. MAJORITY STOCKHOLDER IS BARLOW-RAND, WITH OFFICES IN SOUTH AFRICA AND LONDON. PLANT IS UNDER LOCAL MANAGEMENT. SUGARS AND DENNY WOULD MAKE NO OTHER COMMENT PENDING THE RECEIPT OF FURTHER INFORMATION FROM HEINEMANN OF JOHANNESBURG.

4. FOLLOWING RECEIPT OF JOHANNESBURG 443, SUBSTANCE OF WHICH WAS PASSED TO SUGARS, SUGARS REITERATED THAT TRENTON COMPANY IS MINORITY STOCKHOLDER WHOSE INPUT HAS BEEN ESSENTIALLY IN ENGINEERING SERVICES. LIMITED COMMUNICATION BETWEEN TRENTON AND JOHANNESBURG AS TO ACTUAL RUNNING OF THE PLANT AND VIRTUALLY NONE INDICATING UNUSUAL LABOR RELATIONS CIRCUMSTANCES PRIOR TO THIS INCIDENT. (RELATIONSHIP APPEARS TO DATE BACK TO ABOUT 1949.) BUREAU LABOR ADVISOR NOTED THAT SINCE THIS INVOLVED LABOR RELATIONS POLICY, THE TRENTON COMPANY MIGHT WISH TO TAKE A CLOSER LOOK AT THIS PARTICULAR ASPECT OF MANAGEMENT. SUGARS RESPONDED THAT THEY WOULD UPON RECEIPT OF THE REPORT FROM THE JOHANNESBURG MANAGEMENT. UP UNTIL NOW, THEY HAVE RECEIVED VERY LITTLE INFO BEYOND THAT CONTAINED IN REFTELS.

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5. IN VIEW OF LACK OF DIRECT INFO AND MINORITY HOLDING, SUGARS AND DENNY WERE RELUCTANT TO BE IDENTIFIED OR QUOTED. IN RESPONSE TO INQUIRIES, POST MAY SAY THAT WE UNDERSTAND THAT THERE IS A MINORITY AMERICAN HOLDING IN THE SOUTH AFRICAN COMPANY BUT THAT THE MANAGEMENT IS SOUTH AFRICAN.

6. FYI: THE UNITED AUTO WORKERS (UAW) HAS CALLED THE DEPARTMENT FOR INFO ON THIS DISPUTE. UAW INDICATED THAT THE ENGINEERING AND ALLIED WORKERS' UNION IS AFFILIATED WITH THE INTERNATIONAL METALWORKERS' FEDERATION (IMF). IF SO, WE CAN LOOK FOR CONSIDERABLE INTEREST ON THE PART OF IMF AFFILIATES WORLDWIDE, INCLUDING UAW, MACHINIST AND STEELWORKER UNIONS. KISSINGER

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